

Interpret the result in your report. also, your report and model (where possible)...

[Business](#)



The qualitative characteristics of financial statements are important to the users of financial statements in making decisions. Both Mark Spencer and Morrison are firms that report their financial statements in accordance to the international financial reporting standards. In reporting the performance of a company, simplicity and understandability of the documents must be ensured (Wahlen, Bradshaw, Baginski, & Stickney, 2011).

In their reporting, the two firms have ensured that they give a complete set of information bearing in consideration the detail quality of the financial reports. In both cases, the major components of the statements are explained e. g. remunerations disclosures, segment reports and interests disclosures have been made. The reliability of the financial statements has also been made better by the better governance structure and the independence of the auditors. According to the auditor's reports, the financial statements give a true and fair view of the positions of the company. Moreover, both M & S and Morrison have reported the financial performance in a comparable manner. The performance in 2011 has been compared to those of 2010 to help investors monitor the firms' progress. Notwithstanding, the notes to the financial statements have been compiled to make the information better understandable. Comparatively, Mark Spencer notes are detailed.

On the element of legislations, the companies' strategies have incorporated their products and services to satisfy the expectation of the customers and the society. For instance, Morrison is committed towards reducing the quantity of carbon released to the environment. In both cases, the users to the financial statements are the shareholders, investors, customers, the

government and competitors (Palepu & Healy, 2008). The government requires the information for determining the tax amounts, customers for purposes of knowing progress of the companies and shareholders for monitoring the companies return (Palepu & Healy, 2008). The complex nature of the financial statements and the accounting jargon is the limitation in the financial reports.

In conclusion, the preparation of the financial statements in accordance to the accounting standards and the companies act is necessary for comparison purposes and uniformity in reporting. This explains why both the companies have largely there is no major differences in reporting.

Reference List

Palepu, KG, & Healy, PM. 2008, Business analysis & valuation: using financial statements (4th ed.), Mason, OH: Thomson/South-Western.

Wahlen, JM, Bradshaw, M, Baginski, SP, & Stickney, CP, 2011, Financial reporting, financial statement analysis, and valuation: a strategic perspective (7th ed.), Mason, OH: South-Western Cengage Learning.

Appendix

Mark Spenser financial statement, retrieve from <http://corporate.marksandspencer.com/documents/publications/2011/annual%20report%202011>

Morrison financial statements, retrieved from, <http://www.google.co.ke/search?q=morrison+2011+financial+statements&ie=utf-8&oe=utf-8&aq=t&rls=org.mozilla:en-US:official&client=firefox-a>

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